

AGENDA

Utah Counties Indemnity Pool Board of Directors Telephonic Conference

Friday, August 31, 2018, 10:30 a.m.

Electronic Meeting Notice: 515-604-9807, Participant Passcode: 675642 Anchor Location: 5397 S Vine, Murray, UT

10:30	Open Meeting	Bruce Adams
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ITEM	ACTION	
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1.	Review/Approve 2019 Revised Rates and Revised Estimated Member Contributions	Johnnie Miller
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INFORMATION		
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2.	Other Business	Bruce Adams
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MEMORANDUM

TO: UCIP Board of Directors
FROM: Johnnie Miller
DATE: August 30, 2018
RE: Recommended Revisions to 2019 Rates and Estimated Contributions

Staff is recommending adjustments to the rates approved at the meeting of August 22, 2019.

While developing the notice of estimated contribution letters for members, formula errors were identified in the spreadsheets used to calculate the contributions presented to the Board at the August 22 meeting. Staff has corrected those formula errors, and as a result is making the following recommendations:

- Approval of the rates indicated in the attached exhibit, which will develop an overall contribution level near the actuary's estimate of contribution at the 75% confidence level;
- Approval of the estimated contributions indicated in the attached exhibit, which will be provided to the members for budgeting purposes.

As the exhibits show, the effect of correcting the formulas is collection of less contribution than was approved at the August 22 meeting.

In order to assure UCIP's rating matches rates and contribution amounts provided by the actuary and reinsurer, staff also recommends that rating for earthquake reinsurance coverage be revised to charge back those reinsurance costs to the members that have earthquake exposure, rather than continuing to spread the cost of that additional reinsurance premium among all the members. The total earthquake reinsurance cost is \$35,000. The rates and contributions shown on the attached exhibits include this change in earthquake reinsurance rating. That change impacts all members, by slightly increasing property contributions for members in counties identified as high-risk earthquake zones (Beaver, Box Elder, Davis, Iron, Juab, Millard, Morgan, Rich, Sanpete, Sevier, Wasatch and Weber), and slight decreases in property contributions for all other members.



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Notice Title: Board of Directors Telephonic Conference

Government Type: Interlocal

Entity: Utah Counties Indemnity Pool

Body Name: Board of Directors

Notice Subject: Administrative Services

Notice Type: Meeting

Street Address: 5397 S Vine Street

Street Address continued:

City: Murray

Zip: 84107-6757

Start Date: August 31, 2018 10:30 AM

End Date: August 31, 2018 11:30 AM

Deadline Date:

Description / Agenda: Review/Approve 2019 Revised Rates and Revised Estimated Member Contributions

Other Business

ADA: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.

Electronic Participation: Any Member of the Utah Counties Indemnity Pool Board of Directors may participate telephonically.

Other:

Emergency Notice: No

Send copy of notice to:

Audio File Location:

Attachments: There are attachments associated with this notice.

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UTAH COUNTIES INDEMNITY POOL

BOARD OF DIRECTORS' TELEPHONIC CONFERENCE MINUTES

August 31, 2018, 10:30 a.m.

BOARD MEMBERS PARTICIPATING

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
William Cox, Rich County Commissioner
Alma Adams, Iron County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor
James Ebert, Weber County Commissioner
Mark Whitney, Beaver County Commissioner
Victor Iverson, Washington County Commissioner
Jim Kaiserman, Wasatch County Surveyor

BOARD MEMBERS UNABLE TO PARTICIPATE

Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Deb Alexander, Davis County Human Resources Director
Blaine Breshears, Morgan County Sheriff
Dale Eyre, Sevier County Attorney

OTHERS PARTICIPATING

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Alex Getts, UCIP Education & Training Specialist

Call to Order

Bruce Adams called the telephonic conference of the Utah Counties Indemnity Pool's Board of Directors to order at 10:30 a.m. on August 31, 2018 and welcomed those participating.

Review/Approve 2019 Revised Rates and Revised Estimated Member Contributions

Johnnie Miller reported that while putting together the budget estimate letters for the membership some errors were discovered in the formula calculations resulting in discrepancies between UCIP calculations and the estimates the actuary provided. Miller stated that Sonya White has corrected the formulas and the revised rate sheet and revised estimated members contributions were provided to the Board for review (see attachment number one and two). Miller reported that to assure that UCIP's rating matches rates and contribution amounts provided by the actuary and reinsurer, it is recommended that rating for earthquake reinsurance coverage be revised to charge back those reinsurance costs to the members that have earthquake exposure, rather than continuing to spread the cost of that additional reinsurance premium among all the members. Mike Wilkins explained that he has reviewed the revisions with White and also recommends that the rate for cyber coverage not be reduced to \$6.23 per full-time employee, that was presented to the Board on August 22, but remain at \$7.00 as presented today. Mike Wilkins made a motion to approve the revised rates and revised estimated member contributions as presented. William Cox seconded the motion, which passed unanimously.

Other Business

The next meeting of the Board of Directors will be held Thursday, October 25, 2018 at 1:45 p.m. at the Hilton Garden Inn, 277 W. Sego Lily Drive, Sandy, Utah.

UTAH COUNTIES INDEMNITY POOL

5397 S Vine Street, Murray, UT 84107-6757
(801)565-8500 ucip.utah.gov

Bruce Adams concluded the meeting of the Utah Counties Indemnity Pool Board of Directors at 10:45 a.m. on August 31, 2018.

Prepared by:

Sonya White

Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____

_____ 2018

Karla Johnson, Secretary/Treasurer

Approved on this _____ *25* day of _____

October 2018

Bruce Adams

Bruce Adams, President

UTAH COUNTIES INDEMNITY POOL
2019 Rates 75% Confidence Level

\$250,000 SIR

	Automobile Liability	General Liability	Law Enforcement	Property	Public Officials Liability	Clash	Crime	Cyber	UAS	Defense	Terrorism	Total
Actuarial Estimate	\$ 330,000	\$ 770,000	\$ 1,680,000	\$ 1,240,000	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,670,000
Contribution	\$ 393,208	\$ 810,481	\$ 1,696,850	\$ 1,370,275	\$ 676,399	\$ -	\$ 29,832	\$ 13,917	\$ 48,000	\$ -	\$ -	\$ 5,038,961
Totals	\$ 63,208	\$ 40,481	\$ 16,850	\$ 130,275	\$ 26,399	\$ -	\$ 29,832	\$ 13,917	\$ 48,000	\$ -	\$ -	\$ 368,961

Reinsurance Layer/Costs

	Automobile Liability	General Liability	Law Enforcement	Property	Public Officials Liability	Clash	Crime	Cyber	UAS	Defense	Terrorism	Total
Actuarial/Reinsurance Estimate	\$270,000	\$90,000	\$330,000	\$640,000	\$170,000	\$30,000	\$30,000	\$20,000		\$45,000	\$11,000	\$1,636,000
Contribution	\$272,237	\$86,367	\$351,670	\$668,653	\$167,289	\$30,000	\$33,909	\$21,044		\$45,000	\$11,000	\$1,687,170
Total	\$2,237	-\$3,633	\$21,670	\$28,653	-\$2,711	\$0	\$3,909	\$1,044		\$0	\$0	\$51,170

	Automobile Liability	General Liability	Law Enforcement	Property	Public Officials Liability	Clash	Crime	Cyber	UAS	Defense	Terrorism	Total
2019 Recommended Rates	\$207	\$205	\$1,588	\$0.11	\$193	\$0.03	\$0.06	\$6.23	\$1,500	\$0.05	\$0.01	

Total Exposures 3,215 4,639 1,290 \$1,897,836,038 4,639 Excess Prem \$901,779 Expenses \$901,779 FTE 4,639 Per UAS 32 Excess Prem \$901,779 Terrorism \$901,779 w/RE Minimums \$ 6,750,347

Total Contributions \$ 665,445 \$ 896,848 \$ 2,048,520 \$ 2,038,927 \$ 843,688 \$ 30,000 \$ 63,742 \$34,961 \$ 48,000 \$45,000 \$ 11,000 \$ 6,726,131

2019 Prior Approved Rates \$187 \$165 \$1,558 \$0.10 \$177 \$0.03 \$0.00 \$3.23 \$1,500 \$0.05 \$0.01 w/RE Minimums \$ 6,812,775

Contributions \$601,519 \$809,348 \$2,009,820 \$2,367,268 \$773,688 \$30,000 \$64,802 \$34,961 \$48,000 \$39,498 \$9,655

2018 Approved Rates \$206 \$203 \$1,394 \$0.10 \$180 \$0.00 \$0.06 \$7.00 \$0.00 \$0.00

UTAH COUNTIES INDEMNITY POOL

	2019 Estimated Contribution	Change Prior Year	Percent Change	Five Year Loss Ratio
Beaver	166,694	4,974	3%	155%
Box Elder	321,221	24,347	8%	60%
Daggett	50,731	-15,814	-24%	176%
Davis	847,767	77,097	10%	81%
Duchesne	282,373	40,955	17%	178%
Emery	197,367	1,359	1%	101%
Garfield	139,191	-3,926	-3%	75%
Iron	328,447	47,406	17%	107%
Juab	148,121	19,226	15%	107%
Kane	176,598	745	0%	74%
Millard	257,299	26,547	12%	120%
Morgan	74,154	-1,637	-2%	242%
Piute	32,868	3,607	12%	59%
Rich	39,809	-4,788	-11%	119%
San Juan	217,712	-2,978	-1%	110%
Sanpete	178,648	36,731	26%	85%
Sevier	216,545	14,329	7%	67%
Uintah	401,597	13,008	3%	100%
Wasatch	293,077	35,561	7%	194%
Washington	602,142	114,518	44%	109%
Wayne	53,927	-7,058	-12%	61%
Weber	1,236,072	191,982	18%	121%
Beaver County Municipal Building Authority	32,887	31,537	2336%	
Box Elder Redevelopment Agency	6,250	-13,499	-68%	
Canyonland Improvement District	1,872	111	6%	
Central Utah Public Health Department	24,134	-3,223	-12%	
Daggett County Redevelopment Agency	3,360	1,891	129%	
Duchesne County Municipal Building Authority	2,446	1,096	81%	
Duchesne/Wasatch Bluebench Landfill Special Service District	6,727	888	15%	
Emery County Municipal Building Authority	7,322	5,972	442%	
Five County Association of Governments	22,894	-5,167	-18%	
Iron Special Service District #1	13,156	5,180	65%	
Juab Special Service District #2	2,441	134	6%	
Juab Special Service Fire District	26,053	2,448	10%	
Kane County Municipal Building Authority	2,462	1,112	82%	
Kane County Recreation & Transportation Special Service District	1,864	79	4%	
Piute County Municipal Building Authority	2,415	1,065	79%	
Piute Special Service District #1	2,428	146	6%	
San Juan Spanish Valley Special Service District	2,423	923	62%	
San Juan Transportation Special Service District	1,226	-217	-15%	
Seven County Infrastructure Coalition	1,420	-4,963	-78%	
Sevier County Municipal Building Authority	2,420	1,070	79%	
Southeastern Utah District Health Department	21,707	900	4%	
Southwest Utah Public Health Department	37,715	-7,539	-17%	
TriCounty Health Department	18,879	-3,339	-15%	
Uintah County Municipal Building Authority	2,539	1,189	88%	
Utah Counties Indemnity Pool	3,654	-1,968	-35%	
Wasatch County Parks & Recreation Special Service District #21	18,316	-3,139	-15%	
Wasatch County Solid Waste Disposal District	18,388	-2,657	-13%	
Wasatch County Special Service Area #1	3,792	-1,284	-25%	
Wasatch County Special Service District #9	3,120	-1,173	-27%	
Wasatch Health Department	9,470	-3,480	-27%	
Washington County Municipal Building Authority	3,808	2,458	182%	
Washington County St George Interlocal Agency	63,511	882	1%	
Wayne County Municipal Building Authority	2,422	1,072	79%	
Wayne County Special Service District #1	2,432	150	7%	
Wayne County Special Service District #3	6,840	5,071	287%	
Wayne County Water Conservancy District	2,408	908	61%	
Weber County Municipal Building Authority	2,595	1,245	92%	
Weber Human Services	52,944	3,742	8%	
Weber-Morgan Health Department	47,245	-8,551	-15%	
Total Estimated Contribution	6,750,347			
Actuarial Expected	6,170,000			
Possible Equity Development	580,347			